

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	30 JANUARY 2025
Report Title:	GLOBAL INTERNAL AUDIT STANDARDS (GIAS) PRESENTATION
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING & CHANGE
Responsible Officer:	ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE
Policy Framework and Procedure Rules:	The proposals in this report are in accordance with the policy framework and budget.
Executive Summary:	<ul style="list-style-type: none"> • The Global Internal Audit Standards (GIAS) replace the Public Sector Internal Audit Standards • The GIAS become effective in the public sector on 1st April 2025 • All reference to the Standards within Internal Audit documentation will need to be updated • The Standards have 5 Domains, 15 Principles, 52 Standards <p>Key changes:</p> <ul style="list-style-type: none"> • A ‘mandate’ for internal audit; in local government, internal audit’s primary mandate comes from statutory regulations • An internal audit strategy • Professional courage and professional scepticism • Internal Audit plans support the achievement of organisation’s objectives.

1. Purpose of Report

- 1.1 The purpose of the report is to provide members of the Committee with a presentation on the new Global Internal Audit Standards.

2. Background

- 2.1 From 1 April 2025 internal audit teams in the public sector will be working to new internal audit standards. These will be a combination of the Global Internal Audit Standards (GIAS) and CIPFA's Application Note, Global Internal Audit Standards in the UK Public Sector. The consultation on the Application Note closed at the end of October, and it is anticipated that the final version will be published before April.
- 2.2 The Global Internal Audit Standards will replace the Public Sector Internal Audit Standards, all reference to which within Internal Audit documentation will need to be updated, in particular, the Internal Audit Charter. Much of the day-to-day practice of undertaking audit engagements will not change, the team will need to make sure those engagements fulfil the new standards. Reports, plans and charters will need to be updated to reflect the standards.
- 2.3 As the Internal Audit team currently fully conforms with the Public Sector Internal Audit Standards (PSIAS) it should have most of the practices it needs. There are some additional requirements, and CIPFA's Application Note should help with those. But time will still be needed to make the transition and build familiarity during 2025/26.
- 2.4 Key changes:
- a 'mandate' for internal audit; in local government, internal audit's primary mandate comes from statutory regulations
 - an internal audit strategy
 - professional courage and professional scepticism
 - Internal Audit plans support the achievement of organisation's objectives.
- 2.5 The Standards have 5 Domains, 15 Principles, 52 Standards:

Domains:

- Purpose
- Ethics & professionalism
- Governing
- Managing
- Reporting

- 2.6 The Principles and Standards sit within each Domain.

3. Current situation / proposal

- 3.1 The presentation will provide an overview of the new Global Internal Audit Standards. Further information to demonstrate Internal Audit's compliance will be brought to the Committee throughout the year.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report.

It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 There are no direct financial implications arising from this report however effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

9. Recommendation

9.1 It is recommended that members of the Committee note the content of the report and presentation.

Background documents

None